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# THE "OPEN DOOR" AND COLONIAL POLICY

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The principle of the open door does not imply free trade nor even low or revenue tariffs. It implies actual equality and uniformity of treatment in import and export duties, harbor dues, customs regulations, distribution of raw materials, and opportunities for investments or concessions. It may be made applicable in any dependent colony or even in a country, such as China or Persia, where outside governments are backing the commercial and financial interests of their nationals in their competition for trade, investment, or concessions.

## *Old and New Colonialism*

The old colonial system of the sixteenth and seventeenth centuries was based on monopoly, exclusion, and the "closed door." Colonies were conceived to exist solely for the benefit of the mother country. Mercantilist statesmen looked upon them as a means of enriching the nation. The mining of the precious metals was encouraged. Navigation laws made colonial shipping a national monopoly. Colonies were required to sell their produce to, and to purchase their supplies from, the mother country. Trade and colonial rivalries developed into wars. The British fought successfully in turn the Spanish, the Dutch, and the French, and laid the foundations of a great empire. It was an age full of heroic achievements but ruled by ideals of combat and dominance, which can find no place in any just plan of world affairs.

The latter part of the nineteenth century witnessed a revival of colonial policy as epochal as the old colonialism. It came as one of the results of the later phases of industrial revolution. Mechanical invention and business organization increased production; goods were exported to foreign markets; capital accumulated and sought investment. Colonies, protectorates, and spheres of influence became desirable. Politics began to interest itself in the commercial and financial conditions of distant countries.

When this revival of colonial interest began, Great Britain discovered that she had under her flag some of the most desirable parts of the earth's surface. France retained only a shadow of

her seventeenth century empire. The colonies which the Dutch, the Portuguese, and the Spanish still held were but remnants of their former domains. But there were large portions of the world uncontrolled by any great power. South America was closed to European political interference or control by the Monroe Doctrine. Africa offered the greatest opportunities for colonial expansion and its partition began. Great Britain enlarged her possessions. France again became a great colonial power. Leopold of Belgium, the Italians, and the Germans, each obtained a share of the dark continent, and the Portuguese renewed their interests in holdings and claims neglected for years. Nor did the islands of the sea nor Asia escape the colonizing fervor. Oceania was taken over and the integrity of China, Persia, and other Asiatic countries threatened.

#### *Declarations in Favor of the Open Door*

The Berlin Conference of 1884-85 met for the purpose of adjusting the rivalries of nations in the Congo Basin. Its significance in our discussion is that it emphasized the importance of the open door in international relations. France and Portugal had been competitors in the Congo and the African International Association had at the same time tried to establish an independent dominion. Fearing the encroachment of her rivals, Portugal sought British support and negotiated a treaty which guaranteed Portuguese territorial integrity and at the same time promised free trade in the colony. This treaty, however, was opposed by nearly all of the nations, and when it failed Bismarck called the Berlin Conference together in the hope that a settlement might be reached with reference to the whole Central African question. In opening the first session Bismarck said: "The fundamental idea of this program is to facilitate the access of all commercial nations to the interior of Africa." There was a general acceptance at this assembly of the Powers to the proposition that a free zone should be established, and the greater part of the discussion related to the delimitation and the neutralization of the territory affected. The principles established were: that trade should be free to all nations in the Basin of the Congo, including certain territory east and west to the Indian and Atlantic Oceans,<sup>1</sup> with

<sup>1</sup> The territory to the west was a comparatively narrow strip, whereas on the Indian Ocean the free trade zone reaches its greatest extent, north and south.

free access to ports and to the Congo and its affluents; that navigation fees, equal for all, be allowed to cover costs of improvements; that "import duties" be prohibited;<sup>2</sup> that no commercial monopoly or privilege should be granted; that foreigners should in all cases enjoy the same rights in the region as citizens of the sovereign power; and that the execution of these provisions should be in the hands of an international commission. This commission, however, was never appointed and administration was left in the hands of the states holding territory in the zone.

Passing over a number of treaties between two or three nations, the most important of which is the one between France and Great Britain in 1898 applying for 30 years the open door policy to some one million additional square miles of African territory, we come to the Algeiras Congress of 1906, in which again the leading European powers considered the question of commercial equality—this with reference to Morocco. A uniform import duty of 12½ per cent, applicable to the goods of all nations, was agreed upon. A state bank was established under international control. All concessions and contracts were to be let publicly without discrimination. In case a contract for a government work was to be let, the diplomatic representatives of the powers entering into the agreement were to be notified. In general, the conference agreed to the principle of the open door in all commercial and financial matters.

In the diplomacy of the Far East the principle of equality in commercial matters was recognized when Secretary of State, Hay, on September 5, 1899, requested and later received from the nations holding "spheres of influence" in China the pledge that they would maintain the open door as to customs duties, harbor dues, and railroad rates. In the preamble of the Anglo-Japanese Alliance, signed January 30, 1902, Japan and Great Britain reasserted their adherence to the open-door principle to the effect that they were specially interested "in securing equal opportunities" in China and Korea "for the commerce and industry of all nations."

The "open door" is the antithesis of the policy that colonies exist for the exclusive benefit of the mother country. It recognizes the interests both of outside nations and of the colony itself. It establishes the principle that no nation, because of politi-

<sup>2</sup> In 1890 the Brussels Anti-Slavery Conference permitted a 10 per cent import duty in the Congo zone.

cal control or military power, has a right to exclude other nations from participation in the economic development of the less advanced parts of the world.

### *The Open Door in Practice*

Much of the difficulty with the open-door policy has resulted from a failure to recognize and to acknowledge its full implications. In many quarters it has received lip service but in practice has either been evaded by secret devices or modified by so many exceptions that it has become little more than an aspiration. The conclusion must not be jumped at that, because international conferences, diplomatic notes, and treaties have proclaimed the open door, the door has remained open. A discussion of the ingenious methods by which the door has been closed would extend far beyond the scope of this address. It would include the story of the railroads, and other concessions of China, and of the development of trade and finance in Asia and Africa. Under Leopold, for example, free trade in the Congo Free State was all but nullified by the prohibition of trading on the domain of the state and on the lands of companies holding concessions,—in other words, the greater part of the country. Passing with only brief mention this aspect of the open-door problem, I can not too strongly emphasize that it is the secret and concealed influence of governments working in or coöperating with trading companies and nominally private concerns which hold railroad, mining, and timber concessions that presents the most serious menace to equality of commercial and financial opportunity.

### *Dutch Colonial Policy*

Since tariffs have played a large part in the discussion of the open-door policy, it may be profitable to examine the policies pursued by different countries. The Netherlands may be mentioned first since their colonial empire is one of the oldest and since, so far as the published tariffs show, there are no preferences. The Dutch possessions are in the East and the West Indies. Java is the most important colony. The open door prevails in the colonies and the low revenue tariff of the mother country gives no special advantage to colonial products.

### *British Preference*

All the dependent colonies of Great Britain, including India, have import tariffs embodying the open-door principle. Great

Britain, however, has recently levied export taxes on palm kernels, raw cocoa, and jute when exported from West Africa and India, and these taxes are remitted if the exports go to any portion of the British Empire.

Reference should be made to the preferential tariffs of the self-governing British dominions, although their tariffs do not technically belong to a discussion of the open door, since they are entirely independent in their fiscal policy. Discussion of them is more relevant under most-favored-nation treatment.

Great Britain, it should be said in justice to her, has never urged or even encouraged the establishment of preferences in her favor. A minority in Great Britain has favored the extension of imperial preference to the products of the rest of the Empire when imported into Great Britain, and some resolutions have been adopted favoring preferences. But the British Government is not likely for political reasons to place a tariff on foods and raw materials, and it is preferences on these which would most benefit the dominions.

Australia grants preferences in her tariff to the United Kingdom and to South Africa. In New Zealand the general tariff is the preferential tariff and is applicable to goods from all parts of the British Empire. Countries outside the Empire pay a surtax. In the case of the South African Customs Union, the regular schedule applies to foreign goods and the preferential rates to goods from the United Kingdom and reciprocating British dominions. Canada has three schedules on imports. The lowest rates, giving a preference of about one-third of her customs duties, apply to the whole of the British Empire except Newfoundland, Australia, Gibraltar, Cyprus, Hongkong, and Malta. Canada in turn receives compensating preferences from South Africa, New Zealand, and certain of the British West Indies. The intermediate tariff may be granted, in whole or in part, in return for reciprocating concessions, and also to countries entitled by treaty to most-favored-nation treatment. It is enjoyed in part by French, Belgian, Dutch, and Italian goods. The third schedule is the general tariff and is paid by all other countries including the United States.

These preferences within the British Empire are justified, by their defenders, on the ground of political and sentimental ties. They are, it is asserted, purely of domestic concern. But the same argument might be used for discriminatory reciprocity treaties

between nations. Should the arrangement between the United States and Brazil be considered objectionable from an international standpoint, equally so are British preferences. Although technically Great Britain has a veto on legislation in the Dominions, they may in practice enact any laws, including tariff or other fiscal laws, which they desire whether Great Britain approves or not. No other political units exist in the world which are comparable with them. They are *sui generis*. But being nations for fiscal purposes, should they decline to accept the responsibility of nations in matters of commercial policy at the same time that independent nations are asked to do so? If discriminations are objectionable in one case, are they not objectionable in the other? Should the British Empire insist on preferential arrangements between its self-governing parts, there seems no tenable justification for asking other self-governing parts of the world to give up their discriminatory measures.

### *German Colonial Policy*

Germany entered late into the race for colonies. She was inspired to enter by many motives, but chiefly by the desire for commercial advantage. Other industrial countries had tropical and sub-tropical colonies which supplied raw materials and which furnished markets and opportunities for the investment of capital. Preferential tariffs in colonies and the possibility of the extension of the policy of exclusion to other colonies and to "protectorates" impelled Germany to seek political control over parts of the world. Dernburg, the German colonial secretary, said: "A country's own colonies become an instrument of commercial policy, since a nation secures rights and privileges in foreign colonies only when one can offer corresponding rights and privileges in her own colonies." Germany's first colony was acquired in Africa in 1884; the last important one, Kiau-Chau in Shantung, was taken from China in 1897.<sup>3</sup> Her colonial empire included Togo, Kamerun, German Southwest Africa, German East Africa, German New Guinea, Kiau-Chau, and certain small islands in the South Pacific,—in all just over a million square miles.

The published tariff rates of German colonies show no preferences. German goods received no preferences in the colonies; colonial goods received no preferences in Germany. But the ques-

<sup>3</sup> The Caroline Islands were acquired by treaty Oct. 1, 1899, and the German claim to a share of Samoa was recognized by treaty, Nov. 14, 1899.

tions may be raised: Were there any concealed preferences? And if not, what motive led Germany to pursue an open-door policy?

Preferences may be concealed by arranging the free list in order to exempt from import duties articles predominantly of German origin; by placing relatively lower duties on goods which are important in the commerce between the colonies and the mother country; by administrative regulations which, although apparently applying to all equally, favor German goods. On such practices evidence is very difficult to obtain, but it seems safe to say that there is no evidence that Germany ever closed the door in her colonies.

The Berlin Act of 1885 prohibited discriminations in the Congo Basin, which was defined to include German East Africa and part of the Kamerun. There was also a selfish motive for refraining from adopting preference. Germany was not in a strong position in regard to colonial policy. Had she adopted preference, it might have led to retaliation by such colonial powers as Great Britain and France; and in that case Germany's loss would have been out of all proportion to the gain from preference, as her colonies were insignificant and undeveloped in comparison with the older and richer colonies of France and Great Britain.

### *Italian Colonial Policy*

Italy, like Germany, did not begin to seek a colonial empire until the better parts of the earth's surface were preëmpted. The Italian colonies—Eritrea, Somaliland, and Libia—were acquired in the order named. The colony of Eritrea attained its present boundaries, approximately, by 1900. Somaliland includes the colony proper, and to the north several protectorates. It was acquired in 1889, with the exception of the four chief ports of the southern part, which were leased in 1893 from the Sultan of Zanzibar and purchased in 1905. Libia was annexed by decree of November 5, 1911, though the treaty of peace with Turkey was not signed for almost a year and guerilla warfare continued even later. The commercial importance of these colonies is insignificant. Exports are small and the total trade of all three does not exceed 20 million dollars per annum.

The tariffs of these Italian colonies are low. Preferences in favor of Italian products exist in both the import and export schedules, and colonial goods enjoy some preferences in the Italian market. For our purpose a few examples will suffice. Italian



goods when entering Eritrea pay only a statistical tax of 1 per cent as against 8 to 15 per cent paid by foreign goods. The imports of Italian cottons have greatly increased, whereas the imports of foreign cottons have declined. The same tendency is seen in cotton imports into Somaliland, where Italian goods also enjoy a preference. Certain articles, particularly hides, exported from Somaliland to Italy have a preference in the export taxes. There is a tendency to increase preferences, and they have begun to appear in the Libian tariff.

### *French Colonial Policy*

France's colonial empire includes extensive areas and a diversity of peoples. In Africa, where by far the largest territory is controlled, it includes Tunis, Algeria, Morocco, large sections of west and equatorial Africa, and Madagascar; in Asia the chief possession is Indo-China; and in America and Oceania possessions are held, the most important of which is New Caledonia.

French colonies may be classified for tariff discussion into assimilated, open-door, and special régime colonies. Although there are some exceptions, those of the first group have the same tariff as the mother country, and with France they not only enjoy free trade, but are assimilated into a common customs union. These colonies are Algeria, Indo-China, Tunis (in part), Madagascar, Reunion, Martinique, Guadeloupe, New Caledonia, Guiana, and Gaboon. In the second group, the open-door colonies, there are very low, or no, tariff duties. Generally, their goods pay the minimum rates when imported into France, but there are a few special preferences. These colonies are Morocco, Somaliland, Dahomey, the Ivory Coast, French India, and Equatorial Africa outside of Gaboon; to which French tariff policy adds also the New Hebrides.<sup>4</sup> The third group, the special régime colonies, have special tariffs containing some preferences. They are West Africa (excluding Dahomey and the Ivory Coast), Oceania, and St. Pierre and Miquelon.

The assimilated colonies are France's most important colonies. As they are in customs union with France and levy, therefore, the high duties of the French tariff on foreign goods, the discrimination in favor of French and French colonial products is 100 per cent. In the special-régime colonies the discrimination is equally

<sup>4</sup> The New Hebrides are under the condominium of France and Great Britain and are not technically a French colony.

great but the rates are lower. There are, however, additional duties such as consumption duties and the octroi de mer which are paid by French as well as foreign goods.

In French markets the products of the assimilated colonies (except pepper and sugar) enjoy a preference of 100 per cent. On imports from certain open door and special régime colonies preferences are allowed on some products.

*The Open Door in the Philippines*

Article IV of the Treaty of Paris, which in 1898 brought to a close the Spanish American War, provides:

"The United States will, for the term of ten years from the date of the exchange of the ratifications of the present treaty, admit Spanish ships and merchandise to the ports of the Philippine Islands on the same terms as ships and merchandise of the United States."

Connected with this article occurs probably the first mention in American diplomatic correspondence of the words "the open door." The protocol shows that the Spanish commissioners asked:

"Is the offer made by the United States to Spain to establish for a certain number of years similar conditions in the ports of the archipelago for vessels and merchandise of both nations, an offer which is preceded by the assertion that the policy of the United States is to maintain an open door to the world's commerce, to be taken in the sense that the vessels and goods of other nations are to enjoy or can enjoy the same privilege which for a certain time is granted those of Spain, while the United States do not change such policy?"

The American commissioners replied:

"The declaration that the policy of the United States in the Philippines will be that of an open door to the world's commerce necessarily implies that the offer to place Spanish vessels and merchandise on the same footing as American is not intended to be exclusive. But the offer to give Spain that privilege for a term of years, is intended to secure it to her for a certain period by special treaty stipulation, whatever might be at any time the general policy of the United States."

No tariff discriminations were inserted in the tariff legislation on imports adopted by the United States military authorities for the Islands. Certain preferences were allowed, however, on raw materials exported from the Philippines in which certain industries of the United States were interested. Upon the production of evidence of consumption in the United States, the Philippine export taxes on hemp, copra, sugar, and tobacco were refunded.

The United States Tariff Act of 1909 established free trade between the Philippines and the United States with a few exceptions

(which were omitted in the tariff act of 1913); that is, no import duties were to be assessed on domestic product of either the United States or the Philippines when entering the ports of the other. Thus Congress definitely abandoned the open-door policy. For some years prior to 1909 there had been a few preferences to such Philippine products as sugar. The Philippine Tariff Act of August 5, 1909, enacted by the United States Congress, contains the rates of duty which are to be levied on imports in the Philippines from countries other than the United States. The tendency of this tariff act, it is said, was to exclude foreign competition with American products in the Philippines, and the act was, therefore, opposed bitterly by some classes in the Islands.

Something should be said as to the economic effect of preferential arrangements, and our arrangement with the Philippines may be used to illustrate tendencies which are present in all the preferences which we have considered.

In the case of those commodities in which the imports from the United States into the Philippines would not dominate, but would, nevertheless, be substantial, the provisions of the Philippine Tariff Act would be a subsidy to the American exporter at the cost of the Philippine consumer. Philippine prices would be determined by the product which had to pay the Philippine duty. On American commodities which, because of their superiority in quality or price, dominate the Philippine market, the result of the tariff would be negligible; the tariff rates on foreign products would be merely nominal and the articles would sell in the Philippines on the basis of free imports, provided, of course, there is free competition. American commodities which were dearer than foreign products, yet able, by virtue of the tariff preference, to displace them in the Philippine market, would command a higher price in the Philippines than would be the case if imports from all countries were free. In this case the Philippine consumer would lose, without there being any compensation in increased revenue to the treasury of the Islands.

#### *Tariff of China and Siam*

We can not discuss the tariffs of dependent colonies without thinking of the tariffs of China and Siam. These countries have had practically no voice in the making of their tariffs. Tariff rates were fixed for them in treaties concluded more than a half century ago, and it requires only a glance at their rates to see that they are made not in the interests of the people of China

and Siam, but in the interests of those nations which want to export goods. There are those who believe that simple justice requires that China and Siam be granted tariff autonomy. If this does not seem practicable at the present time, the treaties should at least be revised in such manner that the economic and revenue needs of these countries may have first consideration. An international commission now has the Chinese tariff under consideration.

### *Home Interest in Tariff Legislation*

Tariffs of dependent colonies and of China and Siam should be made not in the interests of the leading commercial nations which have goods to export, but in the interests of the people who are directly concerned. These interests in such cases frequently coincide; tariffs chiefly for revenue are here as a rule desirable. But these interests do not always coincide. A higher tariff in China would unquestionably contribute to her financial and political independence. India also furnishes an interesting case in point. The Lancashire cotton manufacturers have always opposed a tariff on cotton goods imported into India. When an import duty was levied on cotton products in India, an excise tax equal to the import duty was levied on the production of cotton goods in India. So far did the government go in its effort to eliminate even the suggestion of protection from India's tariff. Indian opinion, however, was hostile to this situation. Japanese competition was becoming increasingly severe. After long agitation, in March, 1917, the duty on cotton goods was raised from  $3\frac{1}{2}$  per cent to  $7\frac{1}{2}$  per cent without a corresponding increase in the excise tax. There seems no good reason why the tariffs of dependent colonies should not be framed upon the same principles as the tariffs of independent nations. Both the revenue and industrial needs of the peoples directly affected should be given first consideration.

### *Preferences—an International Problem*

Whereas the highness or lowness of a tariff should be determined solely with regard to the interests of the people directly affected, preferences in tariffs (and in other commercial and financial matters too) are international problems. They are necessarily subjects for international discussions and perhaps decision. The industrial value of preferences to the favored nation and the ma-

terial injury to the excluded nation have no doubt been exaggerated. Nevertheless, the nation discriminated against is aggrieved. Suspicion arises. Retaliation is planned and put into effect. Trade wars follow and bitterness and hostility are engendered between peoples. It can no longer be said that a special discriminatory treaty between two peoples is their concern alone. Nor can it be said that preferences between a nation and its colonies are purely domestic problems. To take such a position is simply a refusal to face squarely one of the most fruitful sources of international friction. The disposition of the subject depends fundamentally upon the spirit in which nations come together for the consideration of preferences. If the spirit is that of selfishly seeking to hold to every material advantage that political power for the moment makes possible, no substantial progress will be made and the world will settle back into the old fatal circle of discriminations, trade rivalries, hostility, and war. If, however, nations recognize that they are faced with the need for revolutionary action; if the spirit which guides is that of a willingness to give up something in the interests of world peace, we may hope for a genuine solution of the perplexing problem of discriminatory barriers.

No nation should be asked to act alone in the abandonment of preferential or discriminatory measures. Such measures should be abandoned by all the powers by general agreement. This action, as we have seen, has been taken for limited areas. Is it too much to hope that one of the results of the war will be its universal application? If there is one thing that the war should end forever, it is colonial monopoly and the exploitation of outlying parts of the world by nations which control them politically. Colonies should be regarded, and are regarded by the most advanced nations, as trusts which they are called upon to administer. Preferences enjoyed by the trustee are inconsistent with the trusteeship.

### *Concealed Discriminations and Exceptions*

Nations can usually be brought to subscribe to the principle of the open door either with the agreed understanding that certain exceptions are to be allowed or with the design that, while proclaiming publicly acceptance to the open door, they will devise means of concealed discrimination.

Concealed discriminations have led some public men to despair of the general application of the open-door principle. They have

said, with considerable justification, that nations which carry out their international obligations in good faith are at a disadvantage in competition with nations which do not hesitate to evade the spirit while accepting the form of the open-door principle. Concealed discriminations may be made in tariff classifications by which products which are peculiarly the products of the mother country or colony are favored under an appearance of equality; in undervaluations of home products; in customs regulations; in port and navigation rules; and in the even more subtle way of financial and political control. A government may even disguise its discriminatory policy by operating through nominally private banks and corporations. Faced with these conditions some public men have proposed to abandon the equality-of-treatment principle and to attempt the use of retaliatory measures for the purpose of removing concealed discriminations by other nations. In clear cases where negotiation has failed it is justified, but as a general policy such a step is objectionable. Rather should the nations, recognizing the desirability of the open-door principle, make it effective by devising as a supplement to it machinery which will ferret out and bring into the open these objectionable and concealed discriminations.

When we turn to the consideration of possible exceptions to the open-door principle, our problem becomes more controversial. Cases undoubtedly exist where geographical or political ties, or the two together, justify, even from an international standpoint, preferential arrangements or a customs union. Among these may be mentioned the United States, in which the states are contiguous geographically and bound together by an indissoluble political union; the Zollverein established among the German States in 1834;<sup>5</sup> and the customs union of the states of Australia. A customs union or preferential tariffs would also be justified among the states of Central America. If eastern and southeastern Europe is in the future broken up into small nationalities in order to satisfy the many national aspirations of those peoples, their vital interests may require the adoption of a common commercial policy among them. Cuba and Hawaii are economically a part of the United States and bound to this country by peculiar political ties. To refuse in their case a close economic union with the United States would be unjust *to them*. Even Algeria may perhaps reasonably claim inclusion in a customs union with France.

<sup>5</sup> It was gradually extended to include more German states and was completed in 1871. Hamburg and Bremen were added in October, 1888.

Just where the limit to the establishment of customs unions and preferential arrangements shall be placed depends on what is desirable from the standpoint of international good-will. The interests of weak political units dependent on others and the fundamental political and geographic relationships should be carefully weighed. It is reasonable to suggest, however, that mere political ties between political units widely separated is not alone enough to justify preferences. From the standpoint of world harmony, then, no justification can be found for preferences, for example, between the United States and the Philippines, Great Britain and Australia, Italy and Eritrea, or France and Indo-China.

It is one thing, however, to admit that exceptions are necessary, and quite another to determine what the exceptions are to be. If each nation is left to determine independently what exceptions to the general rule should exist, the general treaty will put us little further ahead than we are today. Plausible grounds, geographic or political, can always be alleged for preference and the exceptions will destroy the rule. Here, as in the case of concealed discriminations, we have a problem for international investigation and possible decision.

### *Machinery of an International League*

Both concealed discriminations and open exceptions to the general rule of the open door raise immediately the question of the machinery to be adopted by nations for their joint action. We can not here discuss the details of the League of Nations, but some phases of its possibilities should be suggested in relation to preferences and the open door. No international league will spring into existence full-fledged. A plan too ambitious for the present time will destroy itself. Nations will not immediately yield up that degree of sovereignty which the more pretentious plans for a League of Nations call for. Years of education and experimentation are ahead of the world before the tradition, the sanction, and the international will come into being which are necessary to make a comprehensive world state a success. The immediate problem is to determine the steps which now should be taken toward international government, for real progress depends on knowing how much the world will accept at the present stage of its development. The following proposals are, therefore, made as suggestive guides toward permanent peace:

1. That general principles, governing as many subjects as

possible, be enumerated in general treaties signed by all the nations. For example, instead of leaving discriminations and preferences to nations bargaining two by two, or to special conferences, the nations should adopt by general treaty the principle of the open door and unconditional most-favored-nation treatment.

2. That there be established with ample funds to support them, a series of advisory and administrative commissions, whose duty it will be to investigate and give publicity to matters of international concern and to administer any task laid on them by the final treaties.

3. That the peace treaty provide for the reassembling from time to time of the delegates of the nations, and that at these periodic meetings these representatives have power on their own initiative, or on the recommendation of any one of the international commissions, to revise or extend any provision of the final treaty and resubmit their revisions to the nations for ratification.

#### *International Commissions*

In the world out of which the great war sprang as inevitably as sparks fly upward, a nation aggrieved by shipping, trade, or financial discriminations had only the alternative before it of submitting or retaliating. If it submitted, it nursed its grievance into suspicion and hatred; if it retaliated, the world witnessed a commercial war which increased ill feeling. The need was great, and now, after the war, is even greater for international commissions which will investigate and offer a solution to these commercial rivalries before they result in conflict. The Allied Maritime Transport Council, which has rendered such genuine service during the war, suggests the field for an international shipping commission. The food and raw material Executives of the Allies may be regarded as the beginnings of the organization for handling world problems concerning food and raw materials. Anarchy, before the war, reigned almost supreme in international trade relations. Because there were no international standards of competition, the only restraints on unfair practices by great export syndicates were those exercised by nations, and they were ineffective. An international trade commission could be of great service in making competition between nations fair. Investments and concessions in politically backward countries should also be under an advisory commission, which would view the problem in the light of



international needs. An international tariff commission, as the discussions in this address indicate, is imperative. It would act as an arbiter in tariff disputes between nations, give publicity to concealed discriminations, investigate and report on the economic phases of any exceptions to the general rule of equality of treatment and opportunity, and at stated times submit, as should the other international commissions, its reports and findings to the reassembled delegates of the nations.